

 KeyCite Yellow Flag - Negative Treatment
Proposed Legislation

Purdon's Pennsylvania Statutes and Consolidated Statutes

Title 8 P.S. Bonds and Recognizances (Refs & Annos)

Chapter 13. Public Works Contractors' Bond Law of 1967 (Refs & Annos)

8 P.S. § 193.1

§ 193.1. Furnishing of financial security to political subdivisions and local authorities

Effective: February 20, 2001

[Currentness](#)

(a) Before any contract exceeding ten thousand dollars (\$10,000) for the construction, reconstruction, alteration or repair of any public building or other **public work** or public improvement, including highway work, of any contracting body is awarded to any prime **contractor**, such **contractor** shall furnish to the contracting body the following financial security, which shall become binding upon the awarding of said contract to such **contractor**:

(1) Any financial security, acceptable to and approved by the contracting body, including, but not limited to, Federal or Commonwealth chartered lending institution irrevocable letters of credit and restrictive or escrow accounts in such lending institutions, equal to one hundred percent of the contract amount, conditioned upon the faithful performance of the contract in accordance with the plans, specifications and conditions of the contract. Such financial security shall be solely for the protection of the contracting body which awarded the contract.

(2) Any financial security, acceptable to and approved by the contracting body, including, but not limited to, Federal or Commonwealth chartered lending institution irrevocable letters of credit and restrictive or escrow accounts in such lending institutions, equal to one hundred percent of the contract amount. Such financial security shall be solely for the protection of claimants supplying labor or materials to the prime **contractor** to whom the contract was awarded, or to any of his subcontractors, in the prosecution of the work provided for in such contract, and shall be conditioned for the prompt payment of all such material furnished or labor supplied or performed in the prosecution of the work. "Labor or materials" shall include public utility services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.

(b) Any **bond** or other financial security under the provisions of this act shall be executed by one or more surety companies or Federal or Commonwealth chartered lending institutions, chosen by the party posting the financial security and acceptable to the contracting body, legally authorized to do business in the Commonwealth of Pennsylvania.

(c) A duplicate copy of each financial security, including **bonds**, shall be filed in the office of the contracting body which awarded the contract for which such **bonds** or financial security were given.

(d) For purposes of this section, the phrase “contracting body” shall mean any county, school district, intermediate unit, area vocational-technical school, city, borough, incorporated town, township, home-rule municipality and any authority formed under the act of May 2, 1945 (P.L. 382, No. 164), known as the “Municipality Authorities Act of 1945.”¹

(e) For the contracting body as defined in subsection (d), the provisions of this section supersede the provisions of section 3 of this act.²

(f) In the case of contracts of ten thousand dollars (\$10,000) or less, nothing in this section shall be construed as preventing a contracting body, prior to awarding a contract for the construction, reconstruction, alteration or repair of any public building or other **public work** or public improvement, including highway work, from requiring a prime **contractor** to furnish financial security in accordance with subsection (a).

Credits

1967, Dec. 20, P.L. 869, No. 385, § 3.1, added 1990, Dec. 17, P.L. 694, No. 171, § 1, effective in 60 days. Amended 2000, Dec. 20, P.L. 965, No. 131, § 1, effective in 60 days.

Editors’ Notes

REPEALED IN PART

<The **Public Works Contractors’ Bond Law** of 1967 (8 P.S. §§ 191 to 202) is repealed insofar as it relates to Commonwealth agencies as defined in 62 Pa.C.S.A. § 103, pursuant to 1998, May 15, P.L. 358, No. 57, § 6(b).>

<The **Public Works Contractors’ Bond Law** of 1967 (8 P.S. §§ 191 to 202) is repealed insofar as inconsistent with the Urban Redevelopment Law as amended by 2004, Jan. 12, P.L. 1, No. 1, pursuant to § 3 of that act. See 35 P.S. § 1711.>

NOTES OF DECISIONS

In general

Public Works Contractors’ Bond Law (PWCBL), which provides a substitute remedy on **public works** for persons who supply labor and materials and who are excluded from the protections afforded by the Mechanics’ Lien Law, offers protection to subcontractors, not prime **contractors**. *Cornerstone Land Development Co. of Pittsburgh LLC v. Wadwell Group*, 959 A.2d 1264, Super.2008. [Public Contracts](#) 🔑 216

Footnotes

¹ 53 P.S. § 301 et seq. (repealed); see 53 Pa.C.S.A. § 5601 et seq.

² 8 P.S. § 193.

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8 P.S. § 193.1, PA ST 8 P.S. § 193.1

Current through 2018 Regular Session Acts 1 to 87, 89 to 94, 97, 105, 107, 108, 111, 115, 124, 128, 131 to 133, 145, 153, 156, 158, 159, 161, 163 and 164

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